

NORTH CAROLINA RATE BUREAU

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August 1, 2000

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Endorsement HE 32 32 05 00
Special Provisions - North Carolina
Homeowners Enhancement Policy Program

The Commissioner of Insurance has approved a new mandatory Endorsement HE 32 32 05 00 Special Provisions - North Carolina designed for use with the Homeowners Enhancement (HE-7) Policy Program.

The new Endorsement HE 32 32 includes a revised definition of "Business" and changes under Section II - Liability Coverage Exclusions which provides certain coverages for an insured minor engaged in an occasional or part-time business pursuit. These changes are designed to track similar changes previously approved in the HO 32 32 08 98 Special Provisions - North Carolina which is used with the Homeowners Policy Program.

This change becomes effective in accordance with the following Rule of Application:

This change becomes effective with respect to policies written on or after December 1, 2000.

Please see to it that this circular letter is brought to the attention of all interested personnel in your Company.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

P-00-8